

JoAnn Lucanik

IB 05-233

From: Kathleen Campbell  
Sent: Tuesday, July 05, 2005 2:51 PM  
To: JoAnn Lucanik  
Subject: FW: NEW ASSIGNMENT: Application SAT-ASG-20050628-00138

-----Original Message-----

From: ibfs@FCCSUN23W.fcc.gov [mailto:ibfs@FCCSUN23W.fcc.gov]  
Sent: Wednesday, June 29, 2005 9:15 AM  
To: Kathleen Campbell  
Subject: NEW ASSIGNMENT: Application SAT-ASG-20050628-00138

INTERNATIONAL BUREAU  
IBFS - Application routing E-mail  
06/29/2005

The following application has been routed to you

File Number : SAT-ASG-20050628-00138  
Applicant Name : Loral Cyberstar L.L.C.  
Callsign :  
Date Filed : Jun 28, 2005 03:18:13.346 PM

2005/06/29 14:00:00

Approved by OMB  
3060-0678

Date & Time Filed: Jun 28 2005 3:18:13:346PM  
File Number: SAT-ASG-20050628-00138

APPLICATION FOR SATELLITE SPACE AND EARTH STATION AUTHORIZATIONS FOR  
TRANSFER OF CONTROL OR ASSIGNMENT FCC 312 MAIN FORM FOR OFFICIAL USE  
ONLY

FCC Use Only

APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:  
Loral Cyberstar L.L.C. (Assignment from CyberStar Licensee, L.L.C.)

1-8. Legal Name of Applicant

<b>Name:</b>	Loral Cyberstar L.L.C.	<b>Phone Number:</b>	703-414-1057
<b>DBA Name:</b>		<b>Fax Number:</b>	703-414-1079
<b>Street:</b>	500 Hills Drive	<b>E-Mail:</b>	larry.atlas@dc.loral.com
<b>City:</b>	Bedminster	<b>State:</b>	NJ
<b>Country:</b>	USA	<b>Zipcode:</b>	07921 -7018
<b>Attention:</b>	Laurence Atlas		

9-16. Name of Contact Representative

<b>Name:</b>	Jennifer McCarthy	<b>Phone Number:</b>	202-303-1145
<b>Company:</b>	Willkie Farr & Gallagher LLP	<b>Fax Number:</b>	202-303-2145
<b>Street:</b>	1875 K St., NW	<b>E-Mail:</b>	jmccarthy@willkie.com
<b>City:</b>	Washington	<b>State:</b>	DC
<b>Country:</b>	USA	<b>Zipcode:</b>	20006-
<b>Attention:</b>		<b>Relationship:</b>	

CLASSIFICATION OF FILING

17. Choose the button next to the classification that applies to this filing for both questions a. and b. Choose only one for 17a and only one for 17b.

- ☐ a1. Earth Station
- ☒ a2. Space Station

- (N/A) b1. Application for License of New Station
- (N/A) b2. Application for Registration of New Domestic Receive-Only Station
- (N/A) b3. Amendment to a Pending Application
- (N/A) b4. Modification of License or Registration
- ☒ b5. Assignment of License or Registration
- ☐ b6. Transfer of Control of License or Registration
- (N/A) b7. Notification of Minor Modification
- (N/A) b8. Application for License of New Receive-Only Station Using Non-U.S. Licensed Satellite
- (N/A) b9. Letter of Intent to Use Non-U.S. Licensed Satellite to Provide Service in the United States
- (N/A) b10. Other (Please specify)

17c. Is a fee submitted with this application?

- ☒ If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114).  
☐ Governmental Entity ☐ Noncommercial educational licensee  
☐ Other (please explain):

17d.

Fee Classification A BFY – Space Station (Geostationary)

Quantity 1  
(First Station)

Fee Classification B BFY – Space Station (Geostationary)

Quantity 1  
(Each Additional Station)

18. If this filing is in reference to an existing station, enter:

(a) Call sign of station:  
Not Applicable

19. If this filing is an amendment to a pending application enter:

(a) Date pending application was filed:

Not Applicable

(b) File number of pending application:

Not Applicable

## TYPE OF SERVICE

20. NATURE OF SERVICE: This filing is for an authorization to provide or use the following type(s) of service(s): Select all that apply:

- ☒ a. Fixed Satellite
- ☐ b. Mobile Satellite
- ☐ c. Radiodetermination Satellite
- ☐ d. Earth Exploration Satellite
- ☐ e. Direct to Home Fixed Satellite
- ☐ f. Digital Audio Radio Service
- ☐ g. Other (please specify)

21. STATUS: Choose the button next to the applicable status. Choose only one.

- ☐ Common Carrier    ☒ Non-Common Carrier

22. If earth station applicant, check all that apply.

- ☐ Using U.S. licensed satellites  
☐ Using Non-U.S. licensed satellites

23. If applicant is providing INTERNATIONAL COMMON CARRIER service, see instructions regarding Sec. 214 filings. Choose one. Are these facilities:

- ☐ Connected to a Public Switched Network    ☐ Not connected to a Public Switched Network    ☒ N/A

24. FREQUENCY BAND(S): Place an "X" in the box(es) next to all applicable frequency band(s).

- ☐ a. C-Band (4/6 GHz)    ☐ b. Ku-Band (12/14 GHz)  
☒ c. Other (Please specify upper and lower frequencies in MHz.)  
Frequency Lower: 17000      Frequency Upper: 30000

#### TYPE OF STATION

25. CLASS OF STATION: Choose the button next to the class of station that applies. Choose only one.

- ☐ a. Fixed Earth Station
- ☐ b. Temporary-Fixed Earth Station
- ☐ c. 12/14 GHz VSAT Network
- ☐ d. Mobile Earth Station
- ☒ e. Geostationary Space Station
- ☐ f. Non-Geostationary Space Station
- ☐ g. Other (please specify)

26. TYPE OF EARTH STATION FACILITY: Choose only one.

- ☐ Transmit/Receive   ☐ Transmit-Only   ☐ Receive-Only   ☒ N/A

#### PURPOSE OF MODIFICATION

27. The purpose of this proposed modification is to: (Place an "X" in the box(es) next to all that apply.)

Not Applicable

## ENVIRONMENTAL POLICY

28. Would a Commission grant of any proposal in this application or amendment have a significant environmental impact as defined by 47 CFR 1.1307? If YES, submit the statement as required by Sections 1.1308 and 1.1311 of the Commission's rules, 47 C.F.R. 1.1308 and 1.1311, as an exhibit to this application. A Radiation Hazard Study must accompany all applications for new transmitting facilities, major modifications, or major amendments.

☐ Yes ☒ No

**ALIEN OWNERSHIP** Earth station applicants not proposing to provide broadcast, common carrier, aeronautical en route or aeronautical fixed radio station services are not required to respond to Items 30–34.

29. Is the applicant a foreign government or the representative of any foreign government?

☐ Yes ☒ No

30. Is the applicant an alien or the representative of an alien?

☐ Yes ☒ No  
☐ N/A

31. Is the applicant a corporation organized under the laws of any foreign government?

☐ Yes ☒ No  
☐ N/A

32. Is the applicant a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?

☐ Yes ☒ No  
☐ N/A

33. Is the applicant a corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?

☐ Yes ☒ No  
☐ N/A

34. If any answer to questions 29, 30, 31, 32 and/or 33 is Yes, attach as an exhibit an identification of the aliens or foreign entities, their nationality, their relationship to the applicant, and the percentage of stock they own or vote.

#### BASIC QUALIFICATIONS

35. Does the Applicant request any waivers or exemptions from any of the Commission's Rules?  
If Yes, attach as an exhibit, copies of the requests for waivers or exceptions with supporting documents.

☐ Yes ☒ No

36. Has the applicant or any party to this application or amendment had any FCC station authorization or license revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission? If Yes, attach as an exhibit, an explanation of circumstances.

☒ Yes ☐ No  
Exhibit B

37. Has the applicant, or any party to this application or amendment, or any party directly or indirectly controlling the applicant ever been convicted of a felony by any state or federal court? If Yes, attach as an exhibit, an explanation of circumstances.

☐ Yes ☒ No



38. Has any court finally adjudged the applicant, or any person directly or indirectly controlling the applicant, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition? If Yes, attach as an exhibit, an explanation of circumstances

☐ Yes ☒ No

39. Is the applicant, or any person directly or indirectly controlling the applicant, currently a party in any pending matter referred to in the preceding two items? If yes, attach as an exhibit, an explanation of the circumstances.

☐ Yes ☒ No

40. If the applicant is a corporation and is applying for a space station license, attach as an exhibit the names, address, and citizenship of those stockholders owning a record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries. Also list the names and addresses of the officers and directors of the Filer.

41. By checking Yes, the undersigned certifies, that neither applicant nor any other party to the application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance. See 47 CFR 1.2002(b) for the meaning of "party to the application" for these purposes.

☒ Yes ☐ No

42a. Does the applicant intend to use a non-U.S. licensed satellite to provide service in the United States? If Yes, answer 42b and attach an exhibit providing the information specified in 47 C.F.R. 25.137, as appropriate. If No, proceed to question 43.

☐ Yes ☒ No

42b. What administration has licensed or is in the process of licensing the space station? If no license will be issued, what administration has coordinated or is in the process of coordinating the space station?

43. Description. (Summarize the nature of the application and the services to be provided).

(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Application for assignment of satellite licenses held by CyberStar Licensee, L.L.C. to Loral Cyberstar L.L.C. See Exhibit D for further description of the transaction and list of authorizations.

#### CERTIFICATION

The Applicant waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application. The applicant certifies that grant of this application would not cause the applicant to be in violation of the spectrum aggregation limit in 47 CFR Part 20. All statements made in exhibits are a material part hereof and are incorporated herein as if set out in full in this application. The undersigned, individually and for the applicant, hereby certifies that all statements made in this application and in all attached exhibits are true, complete and correct to the best of his or her knowledge and belief, and are made in good faith.

44. Applicant is a (an): (Choose the button next to applicable response.)

- ☐ Individual
- ☐ Unincorporated Association
- ☐ Partnership
- ☒ Corporation
- ☐ Governmental Entity
- ☐ Other (please specify)

45. Name of Person Signing  
Laurence Atlas

46. Title of Person Signing  
VP, Loral Space & Communications Ltd. (DIP)

47. Please supply any need attachments.

Attachment 1:

Attachment 2:

Attachment 3:

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT  
(U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION  
(U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

SATELLITE EARTH STATION AUTHORIZATIONS  
FCC Form 312 – Schedule A  
FOR OFFICIAL USE ONLY

Select one of the following

- ☐ CONSENT TO TRANSFER OF CONTROL
 ☒ CONSENT TO ASSIGNMENT OF LICENSE  
☐ NOTIFICATION OF TRANSFER OF CONTROL OF RECEIVE ONLY REGISTRATION
 ☐ NOTIFICATION OF ASSIGNMENT OF RECEIVE ONLY REGISTRATION

A1. Name of Licensee (as shown on FCC 312 – Main Form)

<b>Name:</b>	CyberStar Licensee, L.L.C.	<b>Phone Number:</b>	703-414-1057
<b>DBA Name:</b>		<b>Fax Number:</b>	703-414-1079
<b>Street:</b>	500 Hills Drive	<b>E-Mail:</b>	larry.atlas@dc.loral.com
<b>City:</b>	Bedminster	<b>State:</b>	NJ
<b>Country:</b>	USA	<b>Zipcode:</b>	07921 -
<b>Attention:</b>	Laurence Atlas		

A8. List Callsign(s) of station(s) being assigned or transfered

<b>Callsign:</b> S2198	<b>Callsign:</b> S2163	<b>Callsign:</b>	<b>Callsign:</b>	<b>Callsign:</b>	<b>Callsign:</b>	<b>Callsign:</b>	<b>Callsign:</b>
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A9. No. of station(s) listed

2

A10. Name of Transferor/ Assignor

<b>Name:</b>	CyberStar Licensee, L.L.C.	<b>Phone Number:</b>	703-414-1057
<b>Company:</b>		<b>Fax Number:</b>	703-414-1079
<b>Street:</b>	500 Hills Drive	<b>E-Mail:</b>	larry.atlas@dc.loral.com
<b>City:</b>	Bedminster	<b>State:</b>	NJ
<b>Country:</b>	USA	<b>Zipcode:</b>	07921 -
<b>Attention:</b>	Laurence Atlas	<b>Relationship:</b>	

A15. Name of Transferee/ Assignee

<b>Name:</b>	Loral Cyberstar L.L.C.	<b>Phone Number:</b>	908-470-2342
<b>DBA Name:</b>		<b>Fax Number:</b>	
<b>Street:</b>	500 Hills Drive	<b>E-Mail:</b>	se@loralskynet.com
<b>City:</b>	Bedminster	<b>State:</b>	NJ
<b>Country:</b>	USA	<b>Zipcode:</b>	07921 -7018
<b>Attention:</b>	Mr Stanley Edinger		

A20. If these facilities are licensed, is the transferee / assignee directly or indirectly controlled by any other entity?  
 If yes, attach as Exhibit E, a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control including: (1) the name, address, citizenship, and primary business of the controlling entity and any intermediate subsidiaries or parties, and (2) the names, addresses, citizenship, and the percentages of voting and equity stock of those stockholders holding 10 percent or more of the controlling corporation's voting stock.

☒ Yes  
☐ No  
☐ N/A

A21. If these facilities are licensed, attach as Exhibit F, a complete statement setting forth the facts which show how the assignment or transfer will serve the public interest.

#### CERTIFICATION

1. The undersigned, individually and for licensee, certifies that all attached exhibits pertain to Schedule A and all statement made in Schedule A of this application are true, complete and correct to the best of his/her knowledge and belief. The undersigned also certifies that any contracts or other instruments submitted herewith are complete and constitute the full agreement.
2. The undersigned represents that stock will not be delivered and that control will not be transferred until the Commission's consent has been received, but that transfer of control or assignment of license will be completed within 60 days of Commission consent. The undersigned also acknowledges that the Commission must be notified by letter within 30 days of consummation.

A22. Printed Name of Licensee (Must agree with A1)  
 CyberStar Licensee, L.L.C.

A24. Title (Office Held by Person Signing)  
 VP, Loral Space & Communications Ltd. (DIP)

A26. Printed Name of License Transferor / Assignor  
 (Must agree with A10)  
 CyberStar Licensee, L.L.C.

A28. Title (Office Held by Person Signing)  
 VP, Loral Space & Communications Ltd. (DIP)

A26. Printed Name of License Transferee / Assignee  
 (Must agree with A15)  
 Loral Cyberstar L.L.C.

A28. Title (Office Held by Person Signing)  
 VP, Loral Space & Communications Ltd. (DIP)

**FCC NOTICE REQUIRED BY THE PAPERWORK REDUCTION ACT**

The public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PER, Paperwork Reduction Project (3060-0678), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to [jboley@fcc.gov](mailto:jboley@fcc.gov). PLEASE DO NOT SEND COMPLETED FORMS TO THIS ADDRESS.

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**THE FOREGOING NOTICE IS REQUIRED BY THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.**

### REVOCATION OF AUTHORIZATIONS

In an order issued April 1, 2003, the International Bureau declared null and void authorizations held by Loral SpaceCom Corporation and Loral Space & Communications Corporation to construct, launch and operate geostationary Fixed Satellite Service Ka-band payloads at 89° W.L., 81° W.L., 47° W.L., and 78° E.L.<sup>1</sup> The Bureau affirmed its earlier decision not to extend the construction milestones associated with these authorizations.<sup>2</sup>

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<sup>1</sup> *In re Loral SpaceCom Corporation and Loral Space & Communications Corporation, Memorandum Opinion, Order and Authorization*, 18 FCC Rcd. 6301 (Int'l Bur. 2003).

<sup>2</sup> *In re Loral Space & Communications Corporation, Order*, 16 FCC Rcd. 11044 (Int'l Bur. 2001).



**Please Refer to Exhibit D**

**EXHIBIT D**  
**Form 312, Items A20 and A21**

**Description of Transaction and Public Interest Statement**

**I. Description of Transaction (Item A20)**

This application seeks Commission consent to the assignment of the non-common carrier satellite space station authorizations set forth in Attachment 1 hereto (the "Space Station Authorizations") from CyberStar Licensee, LLC, a Delaware limited liability company ("Old CyberStar"), as indirectly owned and controlled by Loral Space & Communications Ltd. (Debtor-in-Possession), a Bermuda company ("Old Loral"), to Loral CyberStar, LLC, a Delaware limited liability company ("New CyberStar"), as indirectly owned and controlled by Loral Space & Communications Inc., a Delaware corporation ("New Loral").<sup>1</sup> The proposed transaction is part of the Chapter 11 bankruptcy reorganization plan of Old Loral and certain of its subsidiaries, including CyberStar, L.P. (Debtor-in-Possession), the sole member of Old CyberStar.

By way of background, on July 15, 2003, Loral Space & Communications Ltd. and certain of its subsidiaries, including CyberStar, L.P., filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the Southern District of New York

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<sup>1</sup> Subsidiaries of Old Loral are filing the following applications seeking Commission consent to the transfer of control to New Loral of licensee subsidiaries of Old Loral: (i) FCC Form 312 related to certain space station authorizations held by Loral Orion, Inc. (DIP); (ii) FCC Form 312 related to certain other space station authorizations held by Loral Orion, Inc. (DIP); (iii) FCC Form 312 related to a space station authorization held by Loral SpaceCom Corporation (DIP); (iv) FCC Form 312 related to space station authorizations held by CyberStar Licensee, LLC (assignment application); (v) FCC Form 312 related to receive-only earth station authorizations held by Loral SpaceCom Corporation (DIP); (vi) FCC Form 312 related to transmit/receive earth station authorizations held by Loral SpaceCom Corporation (DIP); (vii) FCC Form 312 related to the VSAT authorizations held by Loral SpaceCom Corporation (DIP); (viii) FCC Form 603 related to terrestrial wireless licenses held by Loral SpaceCom Corporation (DIP); (ix) FCC Form 312 related to receive-only earth station authorizations held by Loral Skynet Network Services, Inc. (DIP); (x) FCC Form 312 related to transmit/receive earth station authorizations held by Loral Skynet Network Services, Inc. (DIP); and (xi) FCC Form 603 related to a terrestrial wireless license held by Space Systems/Loral, Inc. (DIP). In addition, the parties will file appropriate ULS ownership reports on FCC Form 602 and will file the required post-consummation notifications concerning the non-U.S. satellites controlled by Loral that are on the Commission's Permitted Space Station List.

(the "Bankruptcy Court").<sup>2</sup> On August 14, 2003, the Commission consented to the *pro forma* transfer of control of Old CyberStar from CyberStar, L.P. to CyberStar, L.P. (Debtor-in-Possession).<sup>3</sup>

This application proposes to assign the Space Station Authorizations from Old CyberStar to New CyberStar as contemplated by Old Loral's plan of reorganization. The plan of reorganization is expected to be confirmed by the Bankruptcy Court at a hearing currently scheduled to occur on July 13, 2005. Consummation of the plan of reorganization will occur as promptly as practicable after all conditions to the consummation are satisfied, including the Commission's consent sought herein.

Presently, Old CyberStar is 100% owned by CyberStar, L.P. (Debtor-in-Possession), which in turn is approximately 99.3% owned by Loral Broadband Holdings, L.P.<sup>4</sup> Loral CyberStar Ltd. and Loral Holdings, Inc. hold approximately 83% and 16 % interests, respectively, in Loral Broadband Holdings, L.P.<sup>5</sup> Loral CyberStar Ltd. is 100% owned by Old Loral. Loral Holdings, Inc. is 100% owned by Loral Space & Communications Holdings Corporation (DIP),<sup>6</sup> which in turn is 100% owned by Old Loral.<sup>7</sup>

Upon consummation of the plan of reorganization, Old CyberStar will be dissolved and New CyberStar will emerge as holder of the Space Station Authorizations. The sole member of New CyberStar will be Loral Skynet Network Services, Inc., a Delaware corporation ("New Network Services"). All of the issued and outstanding common stock of New Network Services, in turn, will be held by Loral SpaceCom Corporation, a Delaware corporation ("New SpaceCom"). All of the issued and outstanding stock of New SpaceCom, in turn, will be held by Loral Skynet Corporation, a Delaware corporation ("New Skynet"). All of the issued and outstanding common stock of New Skynet, in turn, will be held by Loral Space & Communications Holdings Corporation, a Delaware corporation ("Loral Holdings").<sup>8</sup> Loral

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<sup>2</sup> *Loral Space & Communications Ltd. et al.*, Consolidated Case No. 03-41710 (Chapter 11) (Bankr. S.D.N.Y.).

<sup>3</sup> File No. SES-ASG-20030725-00147 ("stamp grant" by Jennifer M. Gilsenan on Aug. 14, 2005).

<sup>4</sup> Loral CyberStar, LLC owns approximately 0.7% of CyberStar, L.P. (Debtor-in-Possession).

<sup>5</sup> Space Systems/Loral, Inc. (Debtor-in-Possession) holds the remaining *de minimis* interest in Loral Broadband Holdings, L.P.

<sup>6</sup> Loral Space & Communications Holdings Corporation formerly was named Loral Space & Communications Corporation.

<sup>7</sup> See "Before" Chart at Attachment 2 hereto.

<sup>8</sup> In addition to the common stock of New Skynet held by Loral Holdings, New Skynet will issue shares of Series A 12% Non-Convertible Preferred Stock ("Preferred Stock"), but the holders of the Preferred Stock will not have voting rights over the day-to-day operations or

Holdings, in turn, will be 100% owned by New Loral. Accordingly, New Loral will control all policy decisions and all aspects of the day-to-day operations of New CyberStar through its control of its wholly owned direct subsidiary, Loral Holdings, and indirect subsidiaries New Skynet, New SpaceCom, and New Network Services.<sup>9</sup>

As stated above, New Loral, Loral Holdings, New Skynet, New SpaceCom, and New Network Services are Delaware corporations. New Loral, through certain of its subsidiaries and affiliates, primarily will be involved in satellite services and manufacturing. Loral Holdings will not conduct any operating business. Both New Loral and Loral Holdings are located at 600 Third Avenue, New York, NY 10016. New Skynet, New SpaceCom, and New Network Services primarily will be engaged in satellite services and are located at 500 Hills Drive, Bedminster, NJ 07921.

Also upon consummation of the plan of reorganization, New Loral will issue common stock to the creditors of Old Loral and to certain creditors of Old Loral's DIP subsidiaries. Certain investment funds managed by MHR Fund Management LLC ("MHR") will, in the aggregate, control approximately 35% of the voting stock of New Loral.<sup>10</sup> No other entity will control 10% or more of the voting stock of New Loral. MHR is a Delaware limited liability company whose primary business is investment management, which it conducts through the management of its investment funds. Dr. Mark Rachesky, M.D., a U.S. citizen, controls MHR. MHR, its investment funds, and Dr. Rachesky may be contacted at 40 West 57th Street, 24th Floor, New York, NY 10019.

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policy decisions of New Skynet. The holders of a majority of the Preferred Stock will have the right to elect two additional directors to the board of directors of New Skynet (which otherwise will be composed of nine directors) in the event that New Skynet fails to pay the stated dividend on the Preferred Stock. Apart from the directors appointed by the holders of the Preferred Stock, if any, the organizational documents of New Loral and New Skynet provide that their respective boards of directors will be composed of the same individuals. In addition, so long as two-thirds of the Preferred Stock initially issued remains outstanding, the vote of the holders of a majority of the Preferred Stock will be required to approve: (i) amendments to the certificate of incorporation, mergers, and other similar corporate actions by New Skynet that would adversely affect the priority dividend rights or other rights of the Preferred Stock; and (ii) dividends paid to holders of New Skynet common stock..

<sup>9</sup> See "After" Chart at Attachment 3 hereto.

<sup>10</sup> Specifically, the investment funds, each of which will hold a direct interest in New Loral are: MHR Capital Partners LP; MHR Capital Partners (100) LP; MHR Institutional Partners LP; MHRM LP; MHRA LP; MHR Institutional Partners II LP; MHR Institutional Partners IIA LP. All of these investment funds are Delaware limited partnerships. The exact percentage of New Loral common stock that will be held by these entities will not be known with certainty until the claims resolution process set forth in the plan of reorganization is completed.

## II. Public Interest Statement (Item A21)

The Commission's consent to the instant transfer of control application will serve the public interest. New CyberStar, under the control of New Loral, is financially and technically qualified to be a Commission licensee. Approval of this transaction will offer substantial public interest benefits by (1) allowing Old Loral to emerge from bankruptcy and facilitating increased use of its assets; (2) providing for an infusion of capital and stimulating investment in the Loral satellite system; (3) fostering competition in the FSS market by strengthening the commercial viability of Loral's satellite network; and (4) ensuring continued provision of Loral's satellite services. Reorganization also will help preserve and revitalize Space Systems/Loral, Inc., a world-class leader in the design and manufacture of satellites and satellite systems for commercial and government applications, and thereby benefit U.S. satellite manufacturing competition.

Moreover, approval of the proposed transaction will assist Old Loral to implement its Chapter 11 plan of reorganization and emerge from bankruptcy as an effective competitor. Service to Old CyberStar's customers will be unaffected by the proposed transaction, and the reorganization will enable New CyberStar to expand its customer base and improve its service offerings. The Commission previously has recognized that there are substantial public interest benefits in rescuing licensees from bankruptcy and ensuring the productive and continued use of their assets.<sup>11</sup> Likewise, the transaction proposed herein will ensure the continued availability of the services currently offered by Old CyberStar.

Expeditious grant of this application is crucial to the completion of the plan of reorganization. As explained above, Old Loral cannot emerge from bankruptcy until the Commission acts on the instant application and the other applications being filed with the Commission in relation to the bankruptcy plan of reorganization. Any delay in this process would be detrimental to Loral and its operating subsidiaries. Accordingly, the parties respectfully request that the Commission act on this application expeditiously to allow the proposed transaction to be consummated as soon as possible.

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<sup>11</sup> See, e.g., *Applications of Space Station System Licensee, Inc. and Iridium Constellation LLC*, 17 FCC Rcd 2271, 2288-89 (IB 2002); *ICO-Teledesic Global Limited*, 16 FCC Rcd 6403, 6407 (IB 2001).

## ATTACHMENT 1

### List of Authorizations

CyberStar Licensee, LLC holds the following non-common carrier space station authorizations:<sup>12</sup>

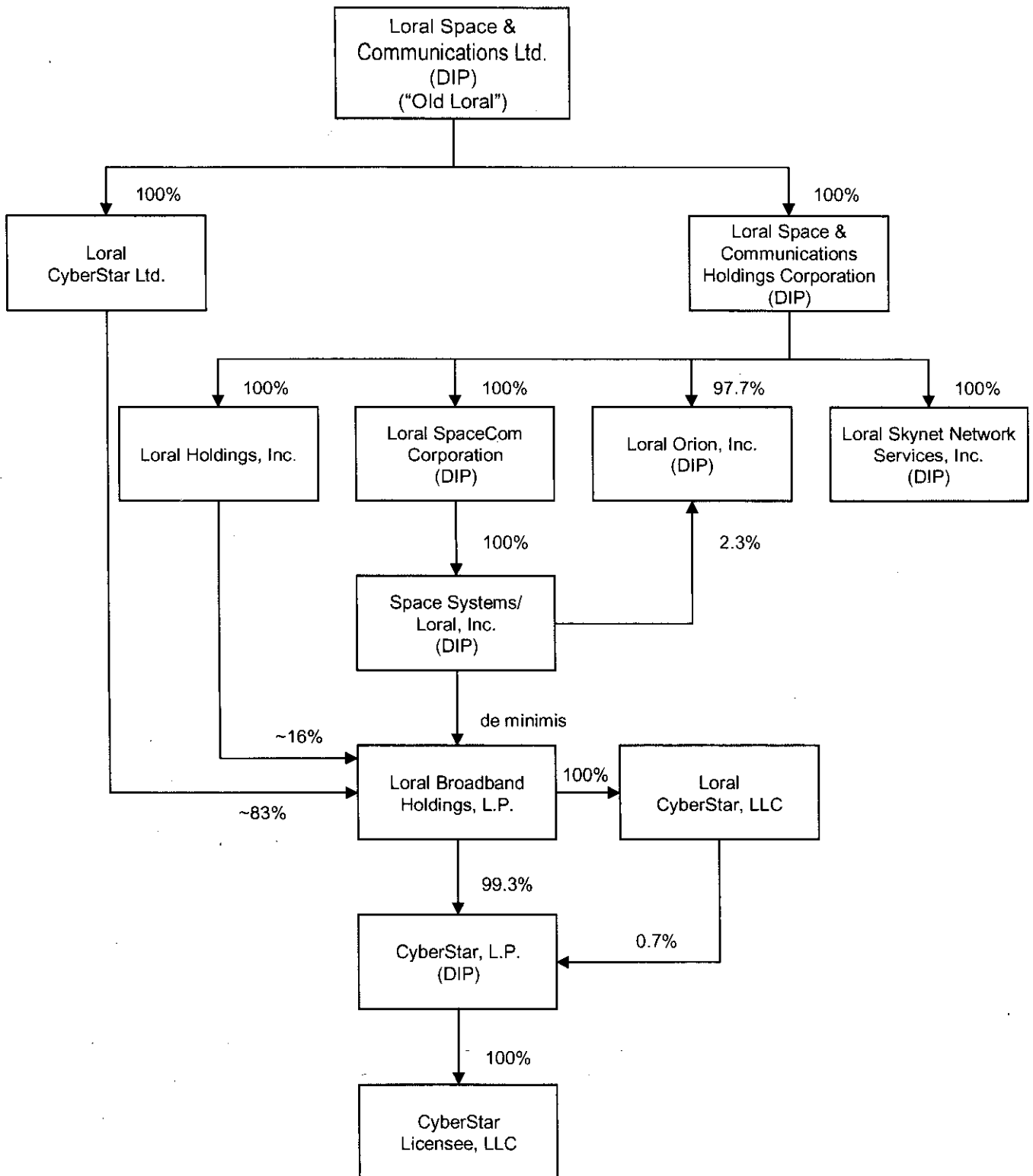
<u>Satellite</u>	<u>Call Sign</u>	<u>Frequency</u>	<u>Orbital Location</u>
CyberStar 1	S2163	Ka-band	115° W.L.
CyberStar 2	S2198	Ka-band	93° W.L.

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<sup>12</sup> The parties to this application request that any other authorizations held by or pending applications filed by CyberStar Licensee, LLC, or its predecessor in interest, inadvertently omitted from this list also be included as part of this application.

## Attachment 2

### BEFORE



### Attachment 3

## AFTER

